

Fig. 2

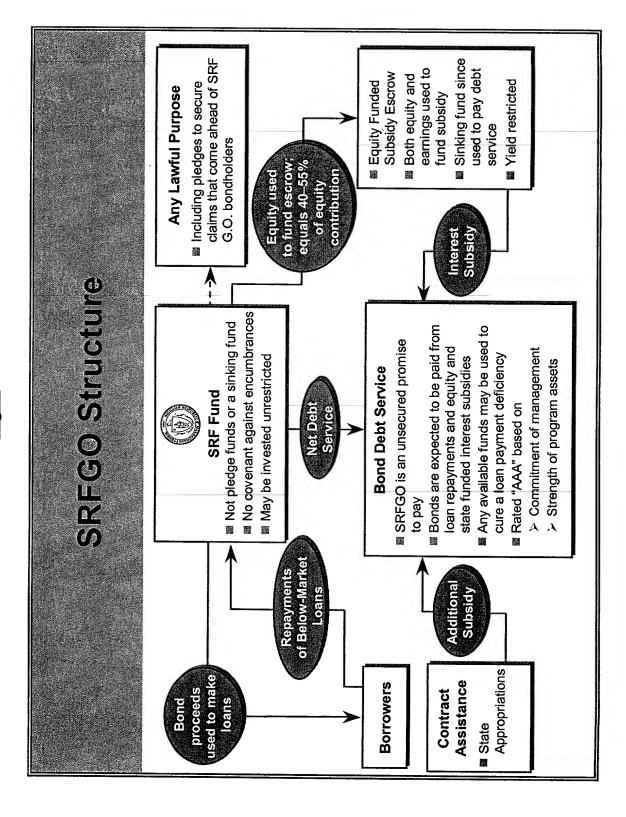


Fig. 3

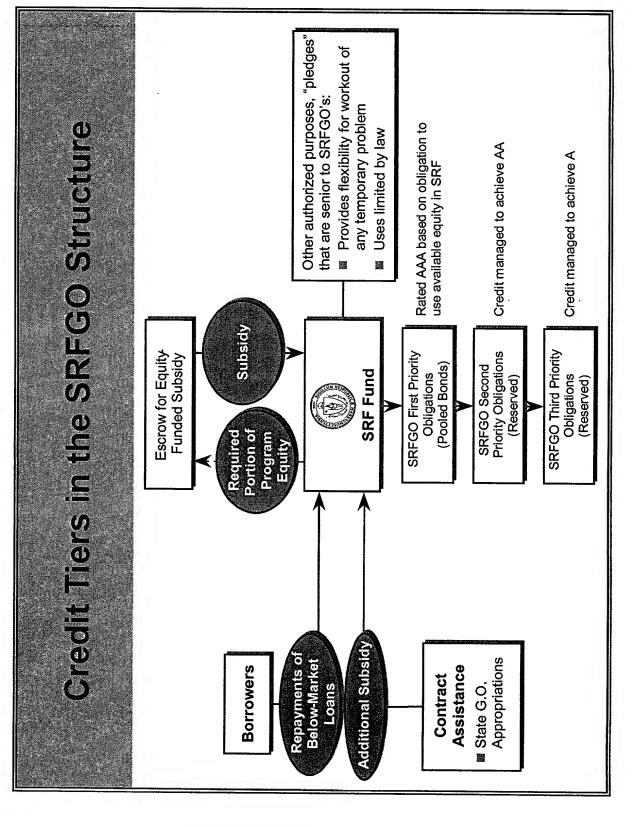
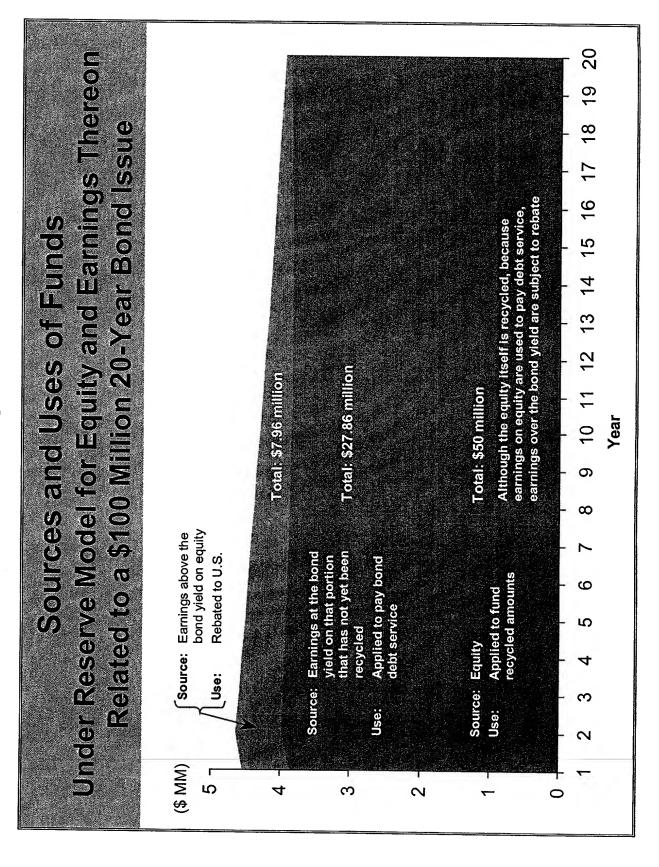
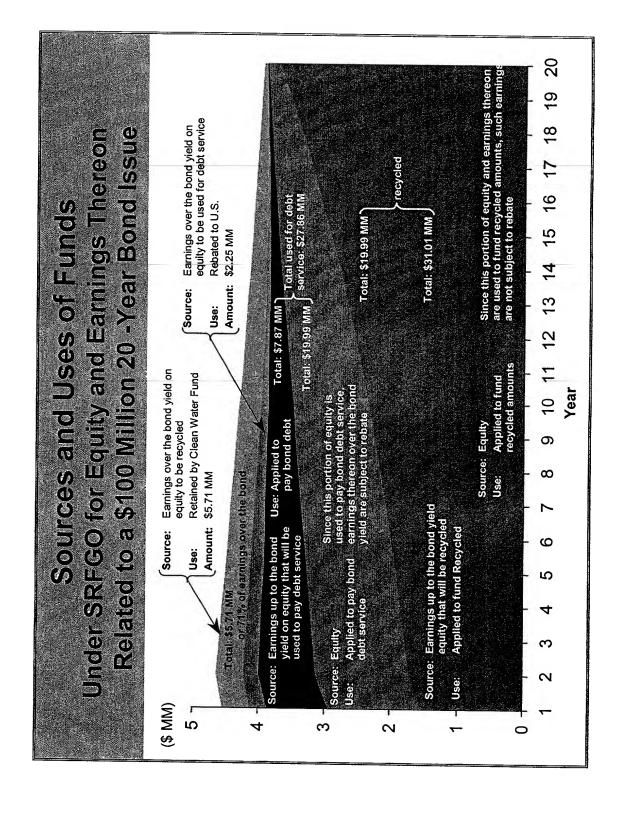


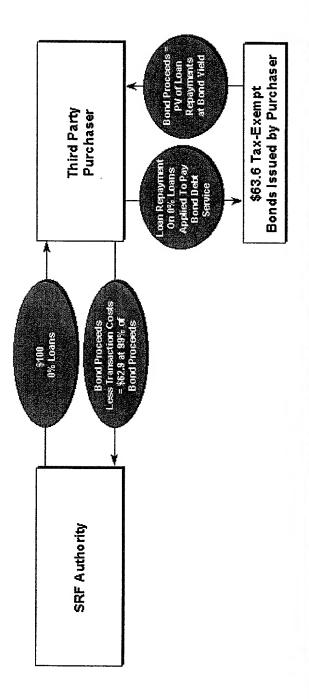
Fig 4



## F1g 5



	Re	Reserve Fund Cash Flows	SW.		Escrow Fund Cash Flows	ø
Year	Reserve Fund Balance	De-allocated Equity	Reserve Eamings Availableto Fund Interest Subsidy	Equity Applied to Fund Subsidy	Famings Availableto Fund Subsidy	Annual Interest Subsidy
<del>-</del>	33,000,000	1,039,851	1,521,300	916,492	604,808	1,521,300
2	31,960,149	1,087,788	1,473,363	910,806	562,557	1,473,363
ო	30,872,361	1,137,935	1,423,216	902,647	520,569	1,423,216
ধ	29,734,425	1,190,394	1,370,757	891,800	478,957	1,370,757
ťΩ	28,544,031	1,245,271	1,315,880	878,035	437,845	1,315,880
9	27,298,760	1,302,678	1,258,473	861,105	397,368	1,258,473
<b>~</b>	25,996,082	1,362,732	1,198,419	840,749	357,671	1,198,419
	24,633,350	1,425,554	1,135,597	816,685	318,912	1,135,597
တ	23,207,796	1,491,272	1,069,879	788,616	281,263	1,069,879
6	21,716,525	1,560,019	1,001,132	756,224	244,908	1,001,132
£	20,156,505	1,631,936	929,215	719,169	210,046	929,215
12	18,524,569	1,707,168	853,983	677,090	176,892	853,983
<u>.</u>	16,817,400	1,785,869	775,282	629,604	145,678	775,282
4	15,031,532	1,868,198	692,954	576,300	116,654	692,954
15	13,163,334	1,954,321	008,830	516,743	980'06	06,830
9	11,209,013	2,044,416	516,735	450,471	66,264	516,735
1,4	9,164,597	2,138,663	422,488	376,990	45,498	422,488
	7,025,934	2,237,256	323,896	295,777	28,118	323,896
<del>6</del>	4,788,678	2,340,393	220,758	206,275	14,483	220,758
8	2,448,285	2,448,285	112,866	107,892	4,974	112,866
Total		33,000,000	18,223,022	13,119,470	5,103,552	18,223,022



The proceeds of the sale of the equity-funded 0% loans will be less than the face amount of the SRF Authority's equity.

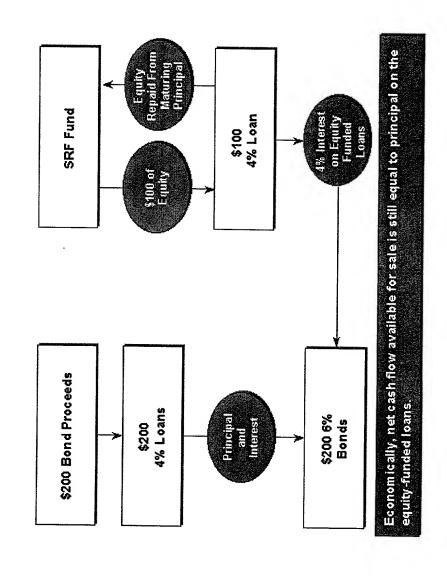
- Assumptions

  \$100 million of equity invested in 0% loans

  Bonds to finance loan purchase issued at 4.77%

  Transaction cost equal to 1%

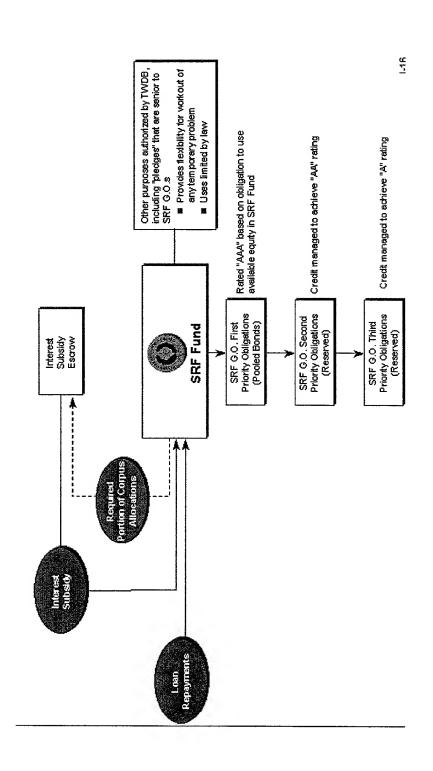
1-11



	Loan Sale	Bond Refunding	Total
Bond Par	\$456.9 MM	\$1,657.2 MM	\$2,114.0 MM
Loan Par	\$630.4 MM	1	\$630.4 MM
Gross Savings	\$46.3 MM	\$129.3 MM	\$175.6 MM
% Gross Savings of Refunding Par	10.1%	7.8%	8.3%
PV Savings	\$36.4 MM	\$29.7 MM	\$66.1 MM
% Savings of Refunding Par	8:0%	1.8%	3.1%
nterest Rate Sensitivity of Savings	Additional earnings determined by the <i>difference</i> between the taxable investment rate and the arbitrage yield on bonds issued to finance loan purchase.	Savings determined by refunding bond yield.	
	The two rates tend to move together.		
	NOT SENSITIVE TO INTEREST RATE LEVELS	SENSITIVE TO INTEREST RATE LEVELS	7,
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Fig 10

Fig 11



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